

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 728 – SB 1992

March 10, 2011

SUMMARY OF BILL: Removes the Commissioner of the Department of Commerce and Insurance's statutory authority to assess investigatory and hearing costs against a licensee.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$179,900/Regulatory Boards

Decrease State Expenditures - \$179,900/Regulatory Boards

Assumptions:

- According to the Department of Commerce and Insurance, 443 formal hearings were conducted in 2010. The average cost assessed per hearing to the licensee was approximately \$406. Total collections were approximately \$179,858 (443 hearings x \$406). Therefore, the recurring decrease to state revenue will be approximately \$179,858.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Department's regulatory boards had cumulative closing balances in FY08-09 of \$5,761,687, and in FY09-10 of \$2,049,817.
- According to the Department, in order to remain self-supporting, the regulatory boards will decrease expenditures. As such, the recurring decrease to state expenditures will be approximately \$179,858.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

/sbh